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August 8, 2016

The Honorable Sylvia Mathews Burwell, Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Secretary Burwell:

Arkansas Advocates for Children and Families (AACF) applauds the work to continue the Medicaid expansion program in Arkansas. Because of the great success of the Private Option, Arkansas leads the nation in reducing the number of uninsured adults. Over 250,000 low-income Arkansans now have comprehensive health coverage, many for the first time. Moving forward, the transition to Arkansas Works will safeguard access to coverage for hundreds of thousands of hard-working families.

AACF also appreciates the thoughtful process that allowed stakeholders to have an active voice in shaping the program and offering Governor Hutchinson and legislators important feedback through the Health Reform Legislative Task Force. This demonstrates the commitment from leaders in our state to ensure all Arkansans, including the most vulnerable, have access to care regardless of their income level and a commitment to transparency and public engagement.

We value the opportunity to submit comments on the proposed demonstration waiver, and we have highlighted several key issues for consideration as the state moves forward with the implementation of Arkansas Works.

Employer Sponsored Insurance (ESI)

Our key concern regarding introducing subsidized ESI as a feature of the Arkansas Works program is the need for careful coordination to ensure the program is easy for enrollees to understand, navigate, and access their full benefits package. Many of the individuals enrolling in ESI have previously had to contribute through Independence Accounts. DHS should ensure these individuals are appropriately informed about changes to their coverage and counseled about how to pay the monthly premium, access doctors in the network, and other key changes. We learned a great deal about the importance of a simple and well-coordinated process from the complicated and costly implementation of the Independence Accounts. Both the necessary resources and time must be allocated to develop the needed IT platform and a coordinated

system. For example, DHS should also explore solutions that will not require enrollees to carry two cards, both the ESI card and Arkansas Works card, to avoid any confusion for providers and enrollees. This approach may be the best option today to ensure wraparound benefits are accessible, but DHS should consider the possibility of rolling out a single card with a special designation for Arkansas Works enrollees in the future.

We also are very concerned about the ability for beneficiaries to access benefits and cost-sharing protections provided as a wraparound to their ESI coverage. We appreciate the state's commitment to ensuring that benefit and cost-sharing protections are made available to beneficiaries. However, [research](#) has shown that there are reasons to be concerned about the implementation of premium assistance programs that wrap around employer-sponsored coverage. In particular we wish to clarify that all providers in the employer's network, regardless of whether they participate in the Medicaid program, will be required to charge Medicaid's lower cost-sharing levels and educated on the need to do so. This is important since Medicaid consistently offers enrollees more affordable coverage than ESI.

In addition, accessing services that may not be available under ESI may prove challenging for beneficiaries. Again, it is important to ensure that an ESI participant is not required to go to a Medicaid participating provider for a covered service and that providers who have not previously worked with Medicaid will understand that wraparound services are available and know how to bill using a patient's client identification number.

DHS should also articulate how transitions will be managed if an enrollee becomes unemployed and is no longer qualified to be covered by ESI. This will require a seamless transition to a QHP to ensure there are no gaps in coverage, particularly since we know families at this income level are likely have fluctuations in their household income and are vulnerable to churning.

The waiver indicates ESI sponsored coverage may be expanded to spouses or dependents of Medicaid-eligible individuals in the future. We strongly recommend DHS maintain the current ARKids First program because it is working for kids and families. The ARKids First program has been hugely successful in reducing rates of uninsured children in our state to under 5 percent and ensuring they receive comprehensive, affordable coverage. We have serious concerns about the likelihood of successfully providing the EPSDT benefit for kids through an ESI wraparound. There is no clear rationale for disrupting coverage for kids. Unless it can be demonstrated that this would be a cost-effective option that does not reduce access to coverage or care, the ARKids program should continue to function as it does today.

Non-Emergency Medical Transportation

The state should not seek a waiver to avoid providing non-emergency transportation to enrollees covered through ESI. Research shows that lack of transportation reduces utilization of health care services among low-income people. While many families may rely on alternative methods, like public transportation for their routine travel to and from work, their access to transportation to doctor's appointments may still be limited. In addition, in most parts of the state, public transit is not even

available. [Non-emergency transportation is a critical benefit](#) that can help to prevent chronic conditions, such as diabetes and cardiovascular disease, from worsening.

90 Day Retroactive Eligibility

AACF does not support the request to waive retroactive eligibility. Medical emergencies are unpredictable and costly. The 90-day retroactive eligibility policy helps safeguard low-income families from incurring medical debts that they are unable to pay. Health care providers and the state also benefit from retroactive eligibility. Doctors and clinics are not left with unpaid bills for treatment they have provided, and the state has been able to reduce uncompensated care spending. Though the proposal to eliminate retroactive eligibility would create similar enrollment processes for Arkansas Works and insurance carriers, the financial risk of removing retroactive coverage outweighs any potential benefit. It is even more critical because of significant delays families currently experience between the time they complete the application and are successfully enrolled in a health plan. Finally, 90-day retroactive eligibility is essential, since the state has not implemented **presumptive eligibility**, which would allow individuals in need of care to enroll quickly and avoid the administrative delays that plague our system today.

Premiums for Enrollees

We do not support the proposed premiums and cost-sharing requirements. Although the state currently requires some enrollees to make payments to an Independence Account, the proposal to establish fixed monthly contributions (up to \$19) would function like premiums. Federal regulations prohibit premiums for individuals earning less than 150% FPL. Also, extensive research shows that even small fees can be a barrier to enrolling in coverage and accessing treatment. Furthermore, enrollees will incur a debt to the state if the premiums are not paid. While this is an improvement from more dangerous proposals to lock individuals out of coverage, it will still create a hardship for many low-income families and depress enrollment.

Incentive Benefits

In addition to the concerns raised above, AACF is proud of the steps our state has taken to continue to improve the health of enrollees. Offering incentive benefits to encourage enrollees to receive preventative care is an important feature of Arkansas Works. With adequate coordination and consumer outreach and education, this is a promising policy to support the health and well-being of Arkansans. We would also strongly encourage the state to engage AACF and organizations with expertise in health literacy to assist with the development and review of enrollee notices and educational materials. Consumer education will be critical to the successful implementation of these policy changes.

AACF is pleased with the progress in Arkansas to maintain affordable coverage for uninsured adults, and we think it is vitally important to support the successful implementation of Arkansas Works.

We look forward to continuing to work collaboratively to ensure all children and families in Arkansas can live healthy, productive lives. Thank you for the opportunity to submit comments on the Arkansas Works demonstration waiver.

Respectfully,



Rich Huddleston
Executive Director
Arkansas Advocates for Children and Families



Marquita Little
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